



State of Utah

Department of Natural Resources

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas & Mining

JOHN R. BAZA
Division Director

JON M. HUNTSMAN, JR.
Governor

GARY R. HERBERT
Lieutenant Governor

March 23, 2006

Certified Return Receipt Requested
7004 2510 0004 1824 3908

Fiddlers Canyon Development LTD
Frank Nichols
2045 North Main Street
Cedar City, Utah 84770

Subject: Complete Notice of Intention to Commence Small Mining Activities,
Fiddlers Canyon Development LTD, Walker Iron Mine Placer, S/021/038,
Iron County, Utah

Dear Mr. Nichols:

The Division received your Notice of Intent (notice) and initial permit fee payment on 12/22/2005, concerning your proposed Walker Iron Mine Placer small mine, located in NE $\frac{1}{4}$ of the NE $\frac{1}{4}$ of the SW $\frac{1}{4}$ of Section 32, T35S, R12W, SLBM, Iron County, Utah, to disturb approximately 4.9 acres.

The Division finds your Notice complete, however, to continue mining operations at the site you must post a bond and a signed reclamation contract.

The Division has determined the reclamation surety to be \$18,400 for the 5-acre project (\$5400 for the first acre and \$3300 for subsequent acres). This is based on the average dollars per acre cost for reclamation of similar operations. Your bond will be reviewed periodically to ensure it remains adequate.

The Division is concerned about the ongoing operations at the site without the placement of the required surety. The Division is placing a deadline of thirty (30) days from the receipt of this letter to have the surety for this operation in place. If the surety is not in place by that time further enforcement action will be taken, which could result in the withdrawal of your Notice of Intention.

In order for the Division to grant final approval to your Notice of Intent application the required surety must be in place.

Frank Nichols
Page 2 of 2
S/021/038
March 23, 2006

The reclamation bond can be submitted in one of several forms, including cash, an irrevocable letter of credit, a certificate of deposit, and a surety bond. When you determine which form of surety you will post, please contact Beth Ericksen at (801) 538-5318 or e-mail bethericksen@utah.gov to obtain the current forms, or you may obtain them on the internet at www.ogm.ut.gov. Before signing the documents, please fax a "draft" copy to Beth at (801) 359-3940 so she can review them for completeness and accuracy. We will then inform you if corrections need to be made or if the documents can be finalized and submitted.

Thank you for your cooperation to help finalize this permitting action. In reply, please refer to file number S/021/038.

Sincerely,

Susan M. White
Mining Program Coordinator
Minerals Regulatory Program

SMW:dj:pb
cc: Doug Jensen, DOGM
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